World Bank review of economic progress

2562. SHRIMATI VEENA VERMA:
SHRI RAJNI RANJAN SAHU:

Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank in recent economic memorandum on India titled "India. Progress and Challenges in economic transition" reviewed the economic progress made in India and the challenges faced and overcome by it; and

(b) if so, what is the precise appraisal made by the World Bank therein and the nature and extent of foreign aid estimated to be required by India and promised or undertaken by the Bank and its various agencies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) The report reviews economic trends like GDP growth, investment, inflation, fiscal deficit, exports, imports and aid flows during the year 1992-93. It also examines the Government's approach to continuing process of economic reforms. The report recommended that donors maintain their pledge for fiscal year 1993-94 at the same level as last year, that is USD 7.2 billion.

Posting of JMGS offices in State Bank of India

2563. SHRI CHOWDHRY HARI SINGH: Will the Minister of FINANCE be please to state:

(a) whether it is a fact that State Bank of India, Zonal Office, Meerut has taken a policy decision not to post any newly promoted JMGS-I Officers sent by State Bank of India Local Head Office and Regional Office, New Delhi in 14 State Bank of India branches on Delhi-U.P. border;

(b) if so, the names of those 14 branches which have been demarcated;

(c) if answer to para (a) above be in the affirmative, what are the reasons that it has not been circulated among the bank employees in Delhi; and

(d) whether it is a fact that this policy has not been approved by the State Bank of India, Local Head Office, New Delhi or State Bank of India, Central Office, Bombay?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) The information is being collected from the bank and, to the extent available, will be laid on the Table of the House.

Withdrawals from NSS Accounts

2564. CHOWDHRY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) What is the procedure laid down for wihtdrawal from the funds deposited by an individual in an account opened by him under the NSS (National Saving Scheme, 1987);

(b) Whether it is a fact that some amount is deducted as tax or otherwise from the amount if the individual wishes to withdraw from his N.S.S. Account;

(c) if so, what are the reasons for the same and the rules governing such tax deductions;

(d) whether such tax deductions are made at the time of withdrawal even when the individual has retired from service and has no income tax liability;

(e) whether at the time of withdrawal of funds from N.S.S. Account by an individual, will his total income (including the amount to be withdrawn from N.S.S. during the relevant financial year) be not taken into consideration;

(f) whether such total income is eligible for tax concession, tax rebates, standard deductions etc; and

(g) if so, what are the details thereof

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Withdrawal will be permitted only once in a year, provided that the amount of the withdrawal shall not exceed the balance at the end of the fourth proceeding financial year, less withdrawal if any, already made.

(b) Yes, Sir. Tax is deducted at source at the rate of 20 per cent at the time of withdrawals from National Savings Schemes to which Section 80 CCA of the Income Tax Act was applicable, provided the amount withdrawn in a financial year exceeds Rs. 2500. The amount of tax deducted at the aforesaid rate of 20 percent is to be further increased by a surcharge at a rate of 12 per cent of such tax. However, no such deduction shall be made if the amount of withdrawal in a financial year is less than Rs. 2,500/-. However, if a depositor dies, no deduction is made, if the legal heir withdraws the deposit.

(c) The amount withdrawn from the National Savings Scheme to which Section 80 CCA applies, together with interest is chargeable to income-tax in the year in which the amount is withdrawn. Accordingly, tax is deducted at source under section 194 EE in order to prevent non-reporting or evasion of this income.

(d) and (e) No tax will be deducted at source if the individual furnishes to the Post Office a declaration in Form 15-I (Under Section 197 A) declaring that his estimated total income is below the exemption limit. In any case, tax deducted at source is not the final withholding tax and a person can claim refund of the amount by which the tax already deducted exceeds the tax payable. For purposes of tax deduction at source, only deposits made in National Savings Scheme, 1987 and interest thereon will be relevant.

(f) and (g) Yes, Sir. The total income for the purpose of determining whether a tax payer's estimated total income is below the exemption limit, takes into account tax concessions, tax rebates, standard deduction etc. The tax deduction at source applicable in respect of deposits in N.S.S., 1987 in terms of Sec. 194 EE of the Income Tax Act is not applicable in respect of NSS, 1992.

SEBI approval to private mutual funds

2565. CHOWDHRY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) what is the number of private mutual funds that have been granted approval by the SEBI (Securities and Exchange Board of India) to the sponsors of mutual funds in the private sector;

(b) what is the estimated amount involved in this private mutual fund;

(c) whether they will have to set up separately the asset management companies and constitute Boards of Directors, Board of Trustees etc; and